

Message Text

CONFIDENTIAL

PAGE 01 GUATEM 05958 282230Z

66-61

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 AS-01 /027 W

----- 036837

R 281800Z OCT 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 8712

C O N F I D E N T I A L GUATEMALA 5958

STADIS//////////

EXDIS

AIDAC

ROCAP

FOR ROGERS AND KLEINE FROM HARRISON

EO 11652: GDS

TAGS: ECON, XM

SUBJ: FY 77 BUDGET

REF: STATE 253483

1. ONE NEED NOT ADDUCE THE SPECIAL RELATIONSHIP TO CONCLUDE THAT THE OMB PROPOSAL GROSSLY UNDERVALUES US INTERESTS IN LATIN AMERICA IN GENERAL AND LATIN AMERICAN DEVELOPMENT IN PARTICULAR. IT COULD EASILY BE INTERPRETED AS MALIGN NEGLECT. IF THE OMB POSITION PREVAILS, CANADA, THE UK, GERMANY, JAPAN, ISRAEL AND PROBABLY SEVERAL OTHER COUNTRIES--ALL OF WHOSE ECONOMIC AND POLITICAL INTERESTS ARE DWARFED BY OURS--WOULD SOON BE PROVIDING MORE BILATERAL AID THAN THE US. WITH RESPECT TO THE RELATIONSHIP BETWEEN OUR ECONOMIC INTERESTS AND DEVELOPMENT, I AM IF MEMORY SERVES, REMINDED THAT, US EXPORTS TO LATIN AMERICA EXCEEDED \$14 BILLION IN 1974, UP FROM ABOUT \$5 BILLION IN 1968.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 GUATEM 05958 282230Z

2. I AM PARTICULARLY UNCOMFORTABLE THAT THIS

DECISION WOULD BE CLEARLY RELATABLE TO OUR OWN ECONOMIC DIFFICULTIES. WE SHOULD BE MINDFUL THAT POVERTY IN THE US WOULD BE CONSIDERED AFFLUENCE IN LATIN AMERICA.

3. WE SHOULD ALSO BE MINDFUL THAT \$300 TODAY IS THE EQUIVALENT OF \$175 IN 1965.

4. IT IS POSSIBLE THAT THE CENTRAL AMERICAN COUNTRIES WILL, IN THE NEXT YEAR OR TWO, GIVE SERIOUS CONSIDERATION TO FREE TRADE IN AGRICULTURAL COMMODITIES, PARTICULARLY GRAINS. A DECISION TO MOVE AHEAD ON AGRICULTURAL TRADE WOULD CONSTITUTE A BREAKTHROUGH THAT COULD REINVIGORATE THE FLOUNDERING CENTRAL AMERICAN INTEGRATION MOVEMENT. SERIOUS POLITICAL AND TECHNICAL OBSTACLES ARE INVOLVED. WE MIGHT WELL BE ABLE TO HELP OVERCOME THESE OBSTACLES THROUGH FINANCIAL AND TECHNICAL ASSISTANCE, EG., THE GRAIN STABILIZATION LOAN, WHICH MAY SLIP TO FY 77, AND POSSIBLY THE WHOLESALE MARKETS LOAN.

5. IN ANY EVENT, A DECISION THAT WOULD BE TANTAMOUNT TO EARLY TERMINATION OF ROCAP'S PROGRAMS COULD ONLY HAVE UNSETTLING PSYCHOLOGICAL AND INSTITUTIONAL EFFECTS IN AN ALREADY WOBBLY SITUATION. HARRISON MELOY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET, POLICIES, ECONOMIC ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 28 OCT 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GUATEM05958
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750374-0075
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751015/aaaaamyz.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS, EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS, EXDIS
Reference: 75 STATE 253483
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2003 by izenbei0>; APPROVED <06 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FY 77 BUDGET
TAGS: ECON, EAID, EFIN, XM, US, GT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006